

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR
PUERTO RICO, as representative of

THE COMMONWEALTH OF
PUERTO RICO, *et al.*

Debtors,¹

PROMESA

Title III

No. 17-BK-3283 (LTS)

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR
PUERTO RICO, as a representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY,

Debtor.

PROMESA

Title III

No. 17-BK-03567 (LTS)

**This statement relates only to HTA
and shall be filed in the lead
Case No. 17 BK 3283 (LTS) and
Case No. 17 BK 3567 (LTS).**

**FOURTH SUPPLEMENTAL VERIFIED STATEMENT OF THE AD HOC GROUP OF
NOTEHOLDERS OF FGIC-INSURED NOTES
PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), certain beneficial holders, or investment advisors or managers of beneficial holders, as

¹ The Debtors in the various Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

identified on Exhibit A hereto (collectively, the “Ad Hoc Group of FGIC Noteholders”)², of certain series of notes issued by the Commonwealth of Puerto Rico and/or its various instrumentalities, agencies and authorities, including those series of insured Notes guaranteed by the Financial Guaranty Insurance Company (“FGIC”) and issued pursuant to Resolution 98-06 by the HTA (the “HTA Notes”), those series of insured Notes guaranteed by FGIC and issued in accordance with the terms of the Trust Agreement, dated as of March 24, 2006, between the Puerto Rico Convention Center Authority (the “CCDA”) and JPMorgan Chase Bank, NA, as trustee, as amended (the “CCDA Notes”), and those series of Notes guaranteed by FGIC and issued in accordance with the terms of the Trust Agreement, dated as of October 1, 1988, between the Puerto Rico Infrastructure Financing Authority (“PRIFA”) and U. S. Bank Trust National Association, as successor Trustee (the “PRIFA Notes”), by and through their undersigned counsel, hereby submit this fourth supplemental verified statement (the “Verified Statement”),³ and in support thereof state and represent to the Court as follows:

1. In January 2018, the Ad Hoc Group of FGIC Noteholders retained Stroock & Stroock & Lavan LLP (“Stroock”) as counsel in connection with the restructuring of the HTA Notes and the HTA’s Title III cases pending before this Court (the “HTA Title III Case”). In February 2018, the Ad Hoc Group of FGIC Noteholders also retained Córdova & Dick, LLC (“Córdova & Dick”) as local counsel, in connection with the restructuring of the HTA Notes and the HTA Title III Case.

² Each member of the Ad Hoc Group of FGIC Noteholders files this statement exclusively on its own behalf and does not assume any fiduciary or other duties to any other member or to any other entity or individual.

³ The original Verified Statement of the Ad Hoc Group of FGIC Noteholders and the First, Second and Third Amendments thereof, were filed only in connection with the Title III case of the HTA. Because of changes to the membership of the Ad Hoc Group of FGIC Noteholders, and the terms of the Third Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico (Case No. 17-03283, Dkt. No. 16740) this Fourth Amended Verified Statement is filed in connection with the Title III case of the Commonwealth of Puerto Rico (the “Commonwealth Title III Case”) and the Title III case of HTA.

2. On February 13, 2018, Stroock and Córdova & Dick filed a *Verified Statement of the Ad Hoc Group of Noteholders Of FGIC-Insured Notes Pursuant to Bankruptcy Rule 2019* in the HTA Title III Case. (Dkt. No. 394).

3. In July 2019, the Ad Hoc Group of FGIC Noteholders retained Sheppard Mullin Richter & Hampton LLP (“Sheppard”) and on July 26, 2019, Sheppard filed a notice of appearance with the Court in connection with the restructuring of the HTA Notes and the HTA Title III Case. (Dkt. No. 625). On June 15, 2021, Sheppard filed a Notice of Appearance with the Court in connection with the restructuring of the HTA Notes, the CCDA Notes and the PRIFA Notes in the Commonwealth Title III Case.

4. On July 30, 2019, the Court entered into an order granting Stroock’s motion to withdraw as counsel of record for the Ad Hoc Group of FGIC Noteholders in connection with the HTA Notes and the HTA Title III Case. (Dkt. No. 627).

5. On February 20, 2020, Sheppard filed a *First Supplemental Verified Statement of the Ad Hoc Group of Noteholders Of FGIC-Insured Notes Pursuant to Bankruptcy Rule 2019* in the HTA Title III Case. (Dkt. No. 701).

6. On February 25, 2020, Sheppard filed a *Second Supplemental Verified Statement of the Ad Hoc Group of Noteholders Of FGIC-Insured Notes Pursuant to Bankruptcy Rule 2019* in the HTA Title III Case. (Dkt. No. 708).

7. On June 8, 2020, the Court entered into an *Order Further Amending Case Management Procedures* (the “Order”) in the Commonwealth Title III Case, which among other things, revises certain disclosure requirements. (Dkt. No. 13383).

8. On July 3, 2020, Sheppard filed a *Third Supplemental Verified Statement of the Ad Hoc Group of Noteholders Of FGIC-Insured Notes Pursuant to Bankruptcy Rule 2019* in the HTA Title III Case. (Dkt. No. 854).

9. In January 2018, Taconic Capital Advisors LP and Monarch Alternative Capital LP established the Ad Hoc Group of FGIC Noteholders. As of April 30, 2021, Monarch Alternative Capital LP notified Sheppard that it had withdrawn as a member of the Ad Hoc Group of FGIC Noteholders. As of June 1, 2021, Aurelius Capital Management, LP, Canyon Capital Advisors LLC, First Ballantyne LLC, and Moore Capital Management, LP each notified Sheppard that they agreed to be a member of the Ad Hoc Group of FGIC Noteholders.

10. As of the date of this Verified Statement, Sheppard and Córdova & Dick represent only the members of the Ad Hoc Group of FGIC Noteholders and do not represent or purport to represent any persons or entities other than the Ad Hoc Group of FGIC Noteholders in connection with the HTA Title III Case and the Commonwealth Title III Case. In addition, as of the date of this Verified Statement, the Ad Hoc Group of FGIC Noteholders, both collectively and through its individual members, does not represent or purport to represent any other entities in connection with the HTA Title III Case or the Commonwealth Title III Case. Likewise, members of the Ad Hoc Group of FGIC Noteholders are filing this Verified Statement exclusively on their own behalves, and do not assume any fiduciary or other duties to any other creditor or person.

11. Sheppard and Córdova & Dick have been advised by the members of the Ad Hoc Group of FGIC Noteholders that attached hereto as Exhibit A is a list setting forth the name, address and the nature and amount of all applicable disclosable economic interests held or managed by each member of the Ad Hoc Group of FGIC Noteholders (and/or their affiliates and/or managed funds or accounts), as required by the Order.

12. The information set forth in Exhibit A and herein is intended only to comply with Bankruptcy Rule 2019 and the Order, and is not intended for any other purpose. Nothing contained in this Verified Statement (including Exhibit A hereto) should be construed as a limitation upon, or waiver of the right of any individual member of the Ad Hoc Group of FGIC Noteholders, including, without limitation, the right to assert, file and/or amend its or their claims in accordance with applicable law and any orders entered in the HTA Title III Case or the Commonwealth Title III Case.

13. The information contained in Exhibit A is based upon information provided by the applicable members of the Ad Hoc Group of FGIC Noteholders to Sheppard and Córdova & Dick. Sheppard and Córdova & Dick do not make any representation regarding the validity, amount, allowance, or priority of such claims, and reserve all rights with respect thereto. Sheppard and Córdova & Dick do not own, nor has Sheppard and Córdova & Dick ever owned, any claims against or interests in the HTA or the Commonwealth.

14. The Ad Hoc Group of FGIC Noteholders, through its undersigned counsel, reserves the right to amend and/or supplement this Verified Statement in accordance with the requirements set forth in Bankruptcy Rule 2019 and the Order at any time in the future.

Dated: June 15, 2021

Respectfully submitted,

CÓRDOVA & DICK, LLC

/s/Brian M. Dick Biascoechea

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*Local Counsel to the Ad Hoc Group of FGIC
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- and -

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Counsel to the Ad Hoc Group of FGIC Noteholders

Exhibit A¹

Please see the attached.

¹ Nothing contained in the Verified Statement or in this Exhibit A should be construed as a limitation upon, or waiver of, any rights or claims of the Ad Hoc Group of FGIC Noteholders or any individual member thereof.